
AGENCY OVERVIEW

475 ND MILL AND ELEVATOR ASSOCIATION

Date: 12/13/2006

Time: 09:49:10

STATUTORY AUTHORITY

North Dakota Century Code Chapter 54-18.

AGENCY DESCRIPTION

The North Dakota State Mill & Elevator Association started operations in 1922 and serves as a foundation for value-added economic development in the state, promotes the export of North Dakota wheat and returns most of its annual profits to the state's general fund. The Mill is located in Grand Forks.

AGENCY MISSION

The mission of the North Dakota Mill is to promote and provide support to the North Dakota agriculture, commerce and industry and to provide superior quality, consistency and service to our customers.

Grow the business and provide a profit to our owners - the citizens of North Dakota.

Conduct our business with the highest integrity so that our employees, customers, suppliers and owners are proud to be associated with the North Dakota Mill.

AGENCY PERFORMANCE MEASURES

The North Dakota Mill will:

Purchase and mill 20,000,000 bushels per year of North Dakota grown spring and durum wheat.

Realize profits in order to maintain the facilities in top operating condition.

Return a portion of the profits to the state general fund.

MAJOR ACCOMPLISHMENTS

Achieved record sales of 9,346,000 cwts. of flour in fiscal year 2006.

Achieved record profits of \$6,226,000 for fiscal year 2006.

Purchased and ground over 19,600,000 bushels of wheat in fiscal year 2006.

FUTURE CRITICAL ISSUES

All changes are reflected as budget changes.

REQUEST SUMMARY**475 ND MILL AND ELEVATOR ASSOCIATION****Biennium: 2007-2009****Bill#: HB 1014****Date: 12/13/2006****Time: 09:49:10**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
FLOUR MILL AND GRAIN TERMINAL OPERATIONS	26,011,989	32,841,404	3,596,903	36,438,307	0
TOTAL MAJOR PROGRAMS	26,011,989	32,841,404	3,596,903	36,438,307	0
BY LINE ITEM					
SALARIES AND WAGES	15,087,063	17,332,391	2,393,344	19,725,735	0
OPERATING EXPENSES	10,860,931	14,959,013	1,303,559	16,262,572	0
AGRICULTURE PROMOTION	50,000	250,000	-100,000	150,000	0
CONTINGENCY	13,995	300,000	0	300,000	0
TOTAL LINE ITEMS	26,011,989	32,841,404	3,596,903	36,438,307	0
BY FUNDING SOURCE					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	26,011,989	32,841,404	3,596,903	36,438,307	0
TOTAL FUNDING SOURCE	26,011,989	32,841,404	3,596,903	36,438,307	0
TOTAL FTE	125.00	127.00	4.00	131.00	.00

REQUEST DETAIL**475 ND MILL AND ELEVATOR ASSOCIATION****Bill#: HB 1014****Date: 12/13/2006****Time: 09:49:10****Biennium: 2007-2009**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
SALARIES AND WAGES					
SALARIES - PERMANENT	10,581,787	10,768,261	-602,328	10,165,933	0
SALARIES - OTHER	1,182,695	3,058,272	-1,904,272	1,154,000	0
TEMPORARY SALARIES	0	0	429,600	429,600	0
OVERTIME	0	0	3,922,904	3,922,904	0
FRINGE BENEFITS	3,322,581	3,505,858	547,440	4,053,298	0
TOTAL	15,087,063	17,332,391	2,393,344	19,725,735	0
SALARIES AND WAGES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	15,087,063	17,332,391	2,393,344	19,725,735	0
TOTAL	15,087,063	17,332,391	2,393,344	19,725,735	0
OPERATING EXPENSES					
TRAVEL	341,649	389,500	152,900	542,400	0
SUPPLIES - IT SOFTWARE	53,367	90,000	7,300	97,300	0
SUPPLY/MATERIAL-PROFESSIONAL	177,453	292,156	17,800	309,956	0
MISCELLANEOUS SUPPLIES	1,048,481	1,400,156	160,500	1,560,656	0
OFFICE SUPPLIES	61,687	74,400	3,100	77,500	0
POSTAGE	73,518	84,800	16,500	101,300	0
IT EQUIP UNDER \$5,000	51,532	66,448	5,400	71,848	0
OTHER EQUIP UNDER \$5,000	0	0	0	0	0
UTILITIES	2,919,141	3,745,939	1,358,900	5,104,839	0
INSURANCE	1,161,173	2,162,641	-625,641	1,537,000	0
RENTALS/LEASES - BLDG/LAND	7,600	40,000	-40,000	0	0
REPAIRS	3,747,156	4,199,164	212,500	4,411,664	0
IT-COMMUNICATIONS	143,378	180,500	14,500	195,000	0
IT CONTRACTUAL SERVICES AND RE	66,127	62,450	41,200	103,650	0
PROFESSIONAL DEVELOPMENT	118,855	140,149	24,200	164,349	0
OPERATING FEES AND SERVICES	805,909	1,859,529	-52,600	1,806,929	0
FEES - PROFESSIONAL SERVICES	83,905	171,181	7,000	178,181	0
TOTAL	10,860,931	14,959,013	1,303,559	16,262,572	0

REQUEST DETAIL**475 ND MILL AND ELEVATOR ASSOCIATION****Biennium: 2007-2009****Bill#: HB 1014****Date: 12/13/2006****Time: 09:49:10**

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
OPERATING EXPENSES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	10,860,931	14,959,013	1,303,559	16,262,572	0
TOTAL	10,860,931	14,959,013	1,303,559	16,262,572	0
SPECIAL LINES					
AGRICULTURE PROMOTION	50,000	250,000	-100,000	150,000	0
CONTINGENCY	13,995	300,000	0	300,000	0
TOTAL	63,995	550,000	0	450,000	0
SPECIAL LINES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	63,995	550,000	-100,000	450,000	0
TOTAL	63,995	550,000	-100,000	450,000	0
FUNDING SOURCES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	26,011,989	32,841,404	3,596,903	36,438,307	0
TOTAL FUNDING SOURCES	26,011,989	32,841,404	3,596,903	36,438,307	0

CHANGE PACKAGE SUMMARY**475 ND MILL AND ELEVATOR ASSOCIATION****Biennium: 2007-2009****Bill#: HB 1014****Date: 12/13/2006****Time: 09:49:10**

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
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AGENCY BUDGET CHANGES

Cost To Continue	.00	0	0	2,050,974	2,050,974
1 Additional positions	4.00	0	0	342,370	342,370
2 Inflation and volume increases	.00	0	0	461,200	461,200
3 Misc supplies	.00	0	0	160,500	160,500
4 Utilities	.00	0	0	1,358,900	1,358,900
5 Insurance	.00	0	0	-625,641	-625,641
6 Leases	.00	0	0	-40,000	-40,000
7 IT & Op Fees	.00	0	0	-11,400	-11,400
8 Ag Promo	.00	0	0	-100,000	-100,000
Agency Total	4.00	0	0	3,596,903	3,596,903

BUDGET CHANGES NARRATIVE

475 ND MILL AND ELEVATOR ASSOCIATION

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Change Group: A	Change Type: A	Change No: 1	Priority:
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Additional positions -

Adding new positions for the planned increase in volume.

Change Group: A	Change Type: A	Change No: 2	Priority:
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Inflation and volume increases -

Inflation and volume increase adjustments.

Change Group: A	Change Type: A	Change No: 3	Priority:
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Misc supplies -

Increased greater than the inflation rate due to the rising costs of fumigations and our need to find alternatives to methyl bromide.

Change Group: A	Change Type: A	Change No: 4	Priority:
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Utilities -

Excluding WAPA electrical service, I budgeted for a 15% increase in energy costs and utilities due to increased production volume and higher utility and energy rates. WAPA indicated that on January 1, 2007 they will increase rates 8% and on January 1, 2008 that our electrical rates will increase at a minimum of 25%. They would not give an estimation of the increase except to give a minimum amount of the increase.

Change Group: A	Change Type: A	Change No: 5	Priority:
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Insurance -

Insurance rates have declined since the current budget was established. Rates declined significantly after the initial shock and rate hike resulting from 9/11. However, rates are increasing from their current level. Unless we have another major insurance event, I do not anticipate significant increases as occurred in the past

Change Group: A	Change Type: A	Change No: 6	Priority:
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Leases -

The mill is in the process of buying the land currently leased from BNSF. We expect this purchase to close this month.

Change Group: A	Change Type: A	Change No: 7	Priority:
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IT & Op Fees -

Computer expense that was in Operating Fees was redirected to IT Contractual Services. We also budget for our banking fees, interest expense, and some misc. expenses in Operating Fees & Services.

Change Group: A	Change Type: A	Change No: 8	Priority:
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Ag Promo -

We did not budget for the Trade Office this year after our conversation with OMB. However, we have increased our overall activity and expense in promoting grain based foods and other general ag promotion.